GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3641
ANSWERED ON:21.12.2015
PMEGP
Kateel Shri Nalin Kumar;Patel Shri Devji Mansingram;Singh Shri Ravneet;Suresh Shri Doddaalahalli Kempegowda

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Prime Minister's Employment Generation Programme is being implemented in the country;

(b) if so, the details there of including the funds allocated and spent and number of persons benefited therefrom during each of the last three years and the current year, State-wise;

(c) whether the Government proposes to increase the scope of the scheme to help more people to avail the benefits; and

(d) if so, the details thereof including any proposal regarding direct transfer of benefits to the entrepreneurs?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)
(a): Yes, Madam.

(b): Ministry of Micro, Small and Medium Enterprises (MSME) is implementing a credit-linked subsidy scheme named Prime Minister's Employment Generation Programme (PMEGP) since 2008-09 through Banks. Khadi and Village Industries Commission (KVIC) is the nodal agency at the national level for generating employment by setting up of micro-enterprises in the non-farm sector.

Any individual above 18 years of age is eligible. For setting up of projects costing above Rs.10 lakh in the manufacturing sector and above Rs. 5 lakh in the business /service sector, the beneficiaries should possess at least VIII standard pass educational qualification.

Under PMEGP, general category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as scheduled castes, scheduled tribes, OBCs, minorities, women, ex-servicemen, physically handicapped, beneficiaries belonging to North Eastern Region, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban area. The maximum cost of project is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector.

Any activity (barring a few indicated in the negative list of PMEGP guidelines) can be taken up under PMEGP, broadly in the areas as mentioned below:
(i) Agro Based & Food Processing Industry (ABFPI),
(ii) Forest Based Industry (FBI)
(iii) Mineral Based Industry (MBI),
(iv) Polymer & Chemical Based industry (PCBI),
(v) Rural Engineering & Bio Technology Industry (REBTI),
(vi) Handmade Paper & Fibre Industry (HMPFI), and
(vii) Service & Textiles.

State-wise details of funds allocated and utilized and number of persons benefited there-from during each of the last three years and the current year, is given in Annexure-I

(c): In order to expand the scope of PMEGP and attract more entrepreneurs, the negative list under PMEGP has recently been modified. Under the modified guidelines, the following activities have now been allowed under PMEGP Scheme:
i. All rural and urban transport activities.(A ceiling of 10% on the extent of projects to be financed for transport activities will be applicable in the States/UTs, except in specific regions - hilly region, NER, A & N Islands, Goa, Puducherry, Lakshadweep, Daman & Diu, Dadra Nagar Haveli, J & K and LWE affected districts).
ii. Value added products for tea, coffee, rubber, sericulture, horticulture, & floriculture.
iii. Processing of pashmina wool and other products like hand spinning and hand weaving.

(d): Under PMEGP the implementing agencies provides subsidy to the financing branch through the nodal banks. Once the subsidy in favour of the beneficiary reaches the financing branch, it is kept in the Term Deposit Receipt (TDR) of three years in the name of the beneficiary. After physical verification of the actual establishment and working status of each of the units, the TDR amount is credited to the beneficiary's account and adjusted against the loan.